

# IndyMac Mortgage Services

A Division of OneWest Bank®

## Home Affordable Foreclosure Alternatives (HAFA)

### Qualification Requirements and Frequently Asked Questions

IndyMac Mortgage Services participates in the U.S. Department of Treasury's Home Affordable Modification Program (HAMP) and has agreed to consider eligible borrowers who do not qualify for HAMP for other foreclosure prevention options such as the Home Affordable Foreclosure Alternatives (HAFA) which offers short sale and deed-in-lieu options.

A short sale allows borrowers to sell their home at a market value that is less than the balance owed on the loan. This alternative to foreclosure is available only to borrowers who are experiencing an economic or financial hardship. A short sale offers both the homeowner and the lender a faster and less costly alternative to foreclosure. A deed-in-lieu of foreclosure is an alternative to foreclosure that allows borrowers who can no longer afford their mortgage payments, and are also unable to sell their home as a result of declining property values, to voluntarily transfer the property to the loan servicer or owner and avoid foreclosure.

To help borrowers and their representatives better understand our HAFA program, we have provided the following outline of requirements and frequently asked questions.

#### General Requirements

General requirements for HAFA state that you may be eligible if:

- You are facing a long-term hardship.
- You owe more on your home than it's worth.
- You are not able to sell your home at a price that covers what you still owe on your mortgage.

**The U.S. Department of Treasury's guidelines state that a loan will meet basic eligibility requirements if the servicer verifies that:**

- The mortgage is first lien, originated on or before January 1, 2009.
- The mortgage is delinquent or default is reasonably foreseeable.
- The property is not condemned.
- The current unpaid principal balance is less than or equal to:
  - \$729,750 for a one-unit property.
  - \$934,200 for a two-unit property.
  - \$1,129,250 for a three-unit property.
  - \$1,403,400 for a four-unit property.



**I have received an offer on my home. How can I apply for a HAFA short sale?**

If you choose to apply for a short sale, you must first request a short sale application packet from IndyMac Mortgage Services by calling 1.800.781.7399. The completed short sale packet must include:

- All pages of the short sale application.
- Recent bank statements.
- Proof of income: paystubs, tax return, etc.
- Listing history.
- Executed purchase contract.
- Proof of buyer financing.
- Estimated settlement statement.
- Evidence that the buyer has funds to purchase the home, such as a letter from a bank or lender stating that the buyer is approved for a mortgage.
- Info on any junior mortgage liens.
- If requesting relocation assistance proof of current occupancy. Restrictions apply.

Within 30 business days of receiving all required documents, we will approve the sale subject to the terms and conditions of a Short Sale Agreement liens, or deny, if ineligible.

When the sale closes in accordance with this Agreement, we will accept the net sale proceeds (all the funds that remain after the approved sale costs have been paid) in full satisfaction of your mortgage and will release you from all future liability.

**I do not yet have an offer on my house. How can I apply for pre-approval for a HAFA short sale?**

To submit a request for pre-approval for a HAFA short sale, please submit a complete application. You may request an application from by calling 1.800.781.7399. A complete application must include the following:

- Hardship Affidavit (including Dodd Frank Certification / Request for Mortgage Assistance (RMA).
- Written request for HAFA short sale.
- Evidence of residency.
- Subordinate lien documentation (if applicable).
- Verification of income, if required.

If you have questions about the application or any of the above items, please call us at 1.800.781.7399.

Within 10 days of receipt of all required documentation necessary for pre-approval of a short sale, we will send a written acknowledgement confirming our receipt and review your loan for pre-approval of short sale. Our review period takes approximately 30 days.

Following the completion of our review, you will be notified of our decision and sent written notice of pre-approval or denial for a HAFA short sale. If your loan is pre-approved you will be allowed 120 days to market the property and will be sent an agreement outlining the terms of your HAFA short sale. Restrictions for approval of the HAFA short sale including minimum acceptable sales price will be outlined in this agreement.

**My loan is in foreclosure; can I still be considered for a short sale?**

Yes, call for a short sale application packet immediately. If foreclosure proceedings have already begun on your home, it is important to remember that the short sale application, including all required documentation and an Executed Purchase Contract, must be submitted no later than 15 calendar days before the scheduled foreclosure sale date.

**Document Requirements****What documentation must be provided with my application to be approved for a HAFA Short Sale?**

In order to be approved for a HAFA Short Sale, the following documents must be submitted with your application for approval of a short sale:

- Hardship Affidavit.
- Dodd Frank Certification.
- HAFA Affidavit.
- Conditional items based on investor requirements, imminent default, and/or other potential factors, included but not limited to financial information such as paystubs, bank statements, W2's, tax transcripts and tax returns.
- Additional information may be required and you will be notified by IndyMac Mortgage Services

of any additional documents required to complete our review of your application.

The above materials will be requested by IndyMac Mortgage Services via your short sale application and during the short sale review process. For questions about any of the documentation requirements outlined above or to request a copy of a short sale application, please call us at 1.800.781.7399.

## Response Times

### **Are there a maximum number of days a borrower can respond to a HAFA solicitation?**

Yes. A borrower must respond to a HAFA solicitation within 14 days of the date of the solicitation by calling IndyMac Mortgage Services at 1.800.781.7399 or by returning the response form included with the solicitation to IndyMac Mortgage Services.

### **Are there a maximum number of days a borrower has to sign and return a Short Sale Notice (SSN)?**

Yes. A borrower must sign and return the agreement included with a Short Sale Notice (SSN) within 14 days from the date of the SSN.

### **What if the borrower does not respond within the established timeframe?**

This will be reviewed on a case by case basis subject to imminent foreclosure constraints.

## Property Valuation

### **How is property value determined?**

An Interior Broker Price Opinion (BPO) ordered by IndyMac Mortgage Services will determine the property value. The BPO is the estimated value of a property as determined by a qualified real estate broker based on the characteristics of the property being considered.

### **How do realtors escalate property valuation questions or issues?**

Valuation questions should be sent directly to the assigned negotiator. A negotiator is assigned to the short sale transaction at the time a complete application

is received and contact information including phone number, e-mail address, and mailing address will be provided to the realtor at the time the application is deemed complete. If you do not have the contact information for your negotiator please contact us at 1.800.781.7399.

### **Are mortgage payments required from the borrower during the 120 day marketing period?**

No monthly mortgage payments are required from the borrower during the 120 day marketing period.

## Imminent Default

### **Are borrowers who are not delinquent but are at risk of imminent default permitted to qualify for a HAFA short sale?**

Yes, but restrictions apply. These may include, but are not limited to:

- Proof of hardship.
- Financial information (paystubs, bank statements, etc.).
- Assets and liabilities.
- Imminent default requirements and investor and insurer restrictions.

For more information on these restrictions, please call us at 1.800.781.7399.

## Realtor Communications

### **How often are communications required with the realtor while the home is for sale before an offer is received?**

Effective 9/01/11, communications between Indymac Mortgage Services and the realtor must occur every month while the home is marketed prior to an offer being received.

## Short Sale Extensions / Deed-in-lieu (DIL)

### Is a Short Sale allowed to be extended beyond the 120 day initial sale period?

Yes, but this varies case by case and is limited to transactions with scheduled closings. No marketing extensions are granted.

### What are the requirements for a Deed-in-lieu (DIL)?

Subject to investor and insurer approval, the borrower may be allowed a DIL if their short sale marketing period expires without an acceptable offer, with the following requirements:

- The Borrower must provide a clear and marketable title.
- There must be no adverse change in the condition of the property.
- Property must be left in broom-clean condition.

### Is there an automatic conversion to DIL at the end of the marketing period?

No.

### Are there criteria for determining whether to offer a DIL?

At day 90 of the marketing period, we will send the HAFA DIL package to the borrower where our title search revealed no liens and activity has not resulted in an active offer.

## Contact Information

- HAFA questions and transaction status please call 1.800.781.7399.
- Escalation of complaints concerns:
  - 1.800.781.7399.
  - MHA Help 1.888.995.HOPE.

## Important Notice Regarding a Short Sale

### Not all homeowners qualify for a short sale

We have not yet determined if you are eligible for a short sale. Your completed application, including all applicable documentation, will be used to evaluate whether you are eligible for a short sale. However, IndyMac Mortgage Services is not obligated to offer you a short sale or any other foreclosure alternative assistance based solely on the representations and information included in your application. We reserve the right to verify the information you submit and request other information and/or documentation to fully evaluate your eligibility. IndyMac Mortgage Services follows the short sale and foreclosure alternative guidelines of investors and/or insurers and applicable law to determine eligibility for a short sale or foreclosure alternative to the extent permitted under our contractual agreements with the investors who own the loans we service. Not all borrowers who submit an application will qualify for a short sale or foreclosure alternative.

If you participate in a short sale program, and if your short sale is approved and finalized, then IndyMac Mortgage Services will follow standard industry practice and report to the major and independent credit reporting agencies that your mortgage was settled for less than the full balance owed. We have no control over the impact of this report on your credit score and are not responsible for any negative consequences as a result of such reporting. To learn more about the potential impact of a short sale on your credit, you may want to go to:

<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>. A short payoff of your mortgage may have tax consequences. You are advised to contact a tax professional to determine the extent of your tax liability, if any.

### Beware of Foreclosure Rescue Scams. Help is free!

There is never a fee to get assistance or information about the Making Home Affordable Program from your lender or HUD-approved housing counselor. For a HUD-approved counselor visit: <http://www.hud.gov/offices/hsg/sfh/hcc/fc/>, or call 1.800.569.4287.

Beware of any person or organization that asks you to pay a fee in exchange for housing counseling services or modification of a delinquent loan. Beware of anyone who says they can “save” your home if you sign or transfer over the deed to your house. Do not sign over the deed to your property to any organization or individual unless your mortgage company approves of such action. Never make your mortgage payments to anyone other than your mortgage company without their approval.

### Short Sale Real Estate Transactions

IndyMac Mortgage Services is not a party to any listing, purchase, or sale agreement associated with a short sale transaction.

During the short sale process, the seller may cancel the listing agreement prior to the ending date of the listing period without any advance notice to the broker, and without the payment of any commission or any other consideration, if the property is conveyed to the mortgage insurer or the mortgage holder.

Under the terms of a short sale purchase contract, the seller’s obligation to perform is subject and subordinate to the rights of the mortgage insurer (if any) and the holder of the mortgage.

**This is a communication from a debt collector attempting to collect a debt. Any information obtained will be used for that purpose. However, if you have filed a bankruptcy petition and there is either an “automatic stay” in effect in your bankruptcy case, or your debt has been discharged pursuant to the bankruptcy laws of the United States, this communication is intended solely for informational purposes.**